


**Department of Insurance and  
Financial Services**

 DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

---

---

---

---


---

---

---

**Insurance Regulation**

- Heavily regulated industry
  - Strong public interest
  - Interests protected by insurance are so important
  - Consumers have difficulty understanding policies/coverage
  - Consumers are not equipped to assess an insurer's solvency

 DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

---

---

---

---


---

---

---

**Insurance Regulation**

- Regulated at the state level
- Each state, territory and the District of Columbia has an insurance regulatory body
- Directors/Commissioners are either appointed or elected

 DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

---

---

---

---

---

---

---

### Insurance Regulation

- Historically, regulation focused on needs of state and its consumers
- Insurance increasingly international
- Since financial crisis, increased focus on global markets and financial stability of insurers
- Other countries have national regulators

**DIFS** DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

---

---

---

---

---

---

---

---

### History & Overview of DIFS

- Executive Order of Governor John Engler created the Office of Financial and Insurance Services (OFIS), combining insurance and financial services.
- 2000 – 2013 OFIS/OFIR operated as an agency under the department of CIS/DLEG/DELEG/LARA

**DIFS** DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

---

---

---

---

---

---

---

---

**Executive Order 2013-1 established DIFS – formerly Office of Financial and Insurance Regulation (OFIR).**

*“Insurance and financial service businesses are a vital part of the overall economic health of Michigan. By establishing a new department dedicated to industry sustainability, it further emphasizes the commitment to removing red tape from economic growth in Michigan.”*

*-Governor Rick Snyder*

**DIFS** DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

---

---

---

---

---

---

---

---

### History & Overview of DIFS

- Recognizes industries' importance to Michigan's economic success.
  - Employs 155,000 Michigan residents, generating almost \$10 billion in payroll.
- As a department, DIFS will provide more emphasis on promoting economic growth within insurance and financial services industries.

**DIFS** DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

---

---

---

---

---

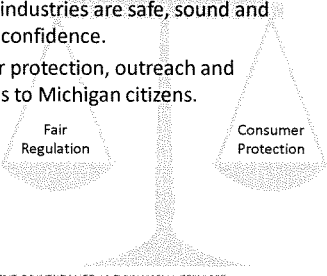
---

---

---

### Our Mission

- Provide a business climate that promotes economic growth while ensuring that the insurance and financial services industries are safe, sound and entitled to public confidence.
- Provide consumer protection, outreach and education services to Michigan citizens.



**DIFS** DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

---

---

---

---

---

---

---

---

### History & Overview of DIFS

- Over 330 employees
- Regulatory responsibility
  - Insurers and HMOs
  - Agents
  - Other insurance-related licensees
  - State-chartered banks
  - State-chartered credit unions
  - Mortgage brokers and lenders
  - Other consumer finance licensees
- DIFS' operations require no general fund dollars

**DIFS** DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

---

---

---

---

---

---

---

---

### History & Overview of DIFS

- Nine offices
  - General Counsel and 3 deputies report to Director
- Chief Deputy Director Teri Morante
  - Office of Financial and Administrative Services
  - Office of Consumer Services
  - Legislative Liaison
- Senior Deputy Director Judy Weaver
  - Office of Insurance Evaluation
  - Office of Banking
  - Office of Credit Unions
- Senior Deputy Director Rhonda Fossitt
  - Office of Insurance Rates and Forms
  - Office of Insurance Licensing and Market Conduct
  - Office of Consumer Finance

**DIFS** DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

---

---

---

---

---

---

---

---

### Office of Financial and Administrative Services

- Budget
- IT
- Administrative services
  - Phones
  - Travel
  - Purchasing

**DIFS** DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

---

---

---

---

---

---

---

---

### Office of Consumer Services

- Includes communication center, which serves as the initial point of contact for all incoming calls and visitors
- Complaints and investigations
- Responds to consumer inquiries
- Provides consumer information
- Manages consumer outreach program
- Responsible for website development and maintenance

**DIFS** DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

---

---

---

---

---

---

---

---

### DIFS Website

- Consumer information
- Publications
- Legal actions
- Access to insurance statutes, bulletins, etc.
- Health Insurance page
- Licensee locators




---

---

---

---

---

---

---

---

### Legislative Liaison

#### Policy/Legislation:

Teri Morante

Jenita Moore

Gabe Basso

#### Constituent Inquiries:

Cathy Kirby, Director

Office of Consumer Services




---

---

---

---

---

---

---

---

### Office of Insurance Evaluation

Responsible for the financial condition of risk-bearing insurance entities.

- Processing of applications for licensure
- On-site financial examination
- Ongoing financial monitoring
- Working with insurers to correct negative trends
- License, monitor and examine captive insurers




---

---

---

---

---

---

---

---

### Office of Banking

Responsible for all aspects of the supervision, regulation and examination of state-chartered banks, savings banks, and trust-only banks.




---

---

---

---

---

---

---

### Office of Credit Unions

Responsible for the regulation, examination and supervision of Michigan state-chartered credit unions. The office is also responsible for processing corporate applications filed by depository financial institutions.




---

---

---

---

---

---

---

### Office of Insurance Rates and Forms

- Reviews insurance policy forms and rates for compliance with Michigan statutory requirements
- Property and casualty
- Life and health
  - Includes carrying out Michigan's responsibilities as a Federally Facilitated Partnership Exchange




---

---

---

---

---

---

---

**Office of Insurance Licensing and Market Conduct**

- Licensing
  - Individual and agency insurance producers, solicitors, counselors, risk retention groups, purchasing groups, reinsurance intermediaries and third party administrators.
- Market Conduct
  - Market conduct examinations of insurers, audits of insurance agents/entities
  - Monitoring of all surplus lines tax filings and payments

**DIFS** DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

---

---

---

---

---

---

---

**Office of Consumer Finance**

Responsible for the licensing, regulation, and examination of entities and individuals doing business under various Michigan consumer finance statutes

**DIFS** DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

---

---

---

---

---

---

---

**Questions???**

THE END

**DIFS** DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

---

---

---

---

---

---

---

